

April 2023



# Investment Intelligence

*the Eder Way*

## HOW DO YOU LEAD CHANGE?

In 1939, just a few years before the Brethren Pension Fund was established, the psychologist Kurt Lewin led groundbreaking experiments on the impact of leadership styles during times of change. Lewin found that groups led by a democratic leader, who encouraged open communication and participation from all members, were more effective than groups led by an authoritarian or uninvolved leader. Many Brethren congregations, districts, and organizations have felt the impact of a wave of changes, including financial challenges. Leaders who want to effectively steer their organizations can benefit from Lewin and other change researchers who continue to develop his ideas. Effective leaders support their teams by encouraging involvement and providing reassuring, direct communication. How leaders lead is important, because, as another influential thinker, Bob Dylan, said “for the times they are a-changin’.”

*Lindsay Cart-Turner*

Operations Manager of Organizational Investing and Deferred Gifts



## Doing good ministry



“Let’s use what we have and do good ministry now.” That’s the attitude of the folks in the Illinois and Wisconsin districts toward the money they have invested with Eder Financial. Annually, they take 4% from their endowment funds to help support their operating budget. They also invest other funds and use that money to aid their emerging ministries fund, which supports new church projects and revitalization efforts, their Mission and Mortar Fund, which helps congregations with repairs and renovations, and their Youth Fund, which supports scholarships, district youth events, and access to National Youth Conference. Eder Financial helps strike a balance between preserving and growing their money and supporting the things that help them thrive.

## Are your investment guidelines up to date?

Every organization that has money invested for long-term preservation and/or growth should have investment guidelines. Why? The Board is legally responsible for those funds. Your investment guidelines need to state if the Board or a delegated body, like an investment committee, makes investment decisions. What are the goals of your organization’s funds in terms of how they will be used, time horizon, schedule for fund rebalancing, or investment risk? Do you want your investments to mirror your organization’s values, like what we do with our Eder Values Investing screens and advocacy? It is crucial to have those items listed in your guidelines.



To view an investment guideline template that can be tailored to your organization, email [oi@eder.org](mailto:oi@eder.org).

## Strategically partnered

On March 17, Eder Financial met with executives of ConocoPhillips as the lead shareholder in ongoing conversations about the company’s work with indigenous groups near their oil and gas exploration projects. But we were not alone. About 37 members of the Interfaith Center on Corporate Responsibility joined us – as they have for 16 years – bringing their expertise, their values, and their knowledge to the conversation. As a member of ICCR, we learn from their experiences. We support them in corporate engagements as they support us. We collaborate as a likeminded community to strengthen the work we all do toward a better world. We draw on the deep knowledge of ICCR’s staff members to design effective actions. For ICCR, Eder Financial is an active member that makes shareholder action more effective. For Eder, ICCR is an opportunity to leverage the impact our investments have far beyond our portfolios.



Contact Dan Radcliff, director of Organizational Investing, with questions or comments. 888-311-6530 • Fax 847-960-5712 • [dradcliff@eder.org](mailto:dradcliff@eder.org) • [ederfinancial.org](http://ederfinancial.org)



For the period ending March 31, 2023	Current Month	3 Months	1 Year	3 Years	5 Years	10 Years
<b>SHORT TERM</b>						
Short-Term Fund	0.6	1.2	2.0	0.5	1.1	0.8
<i>ICE BofA 6-Month Treasury Bill Index</i>	0.5	1.2	2.6	0.9	1.6	1.0
<b>COMMUNITY DEVELOPMENT</b>						
Community Development Investment Fund <sup>1</sup>	1.0	1.2	-1.5	-0.6	0.4	1.1
<i>No Benchmark</i>	—	—	—	—	—	—
<b>FIXED INCOME</b>						
Bond Fund	2.7	3.3	-5.1	-2.0	1.2	1.7
<i>Bloomberg U.S. Government/Credit Bond Index</i>	2.8	3.2	-4.8	-2.6	1.2	1.5
Treasury Inflation-Protected Securities Fund <sup>2</sup>	2.7	2.7	-6.9	1.3	2.8	1.4
<i>Bloomberg U.S. Treasury Inflation-Linked Bond Index</i>	2.9	3.3	-6.1	1.8	2.9	1.5
Bank Loans Fund <sup>3</sup>	-0.4	2.8	1.1	7.5	2.8	—
<i>S&amp;P/LSTA U.S. Leveraged Loan 100 Index</i>	0.0	3.3	2.9	6.7	3.5	—
High Yield Bond Fund <sup>4</sup>	1.0	3.1	-2.2	6.8	3.5	4.3
<i>Bloomberg U.S. Corporate High Yield Bond Index</i>	1.1	3.6	-3.3	5.9	3.2	4.1
Global Aggregate Fixed Income Fund <sup>5,6</sup>	—	—	—	—	—	—
<i>Bloomberg Global Aggregate Index</i>	—	—	—	—	—	—
<b>DOMESTIC EQUITY</b>						
Domestic Stock Large Cap Value Fund	3.6	—	—	—	—	—
<i>Russell 1000 Value Fund</i>	-0.5	—	—	—	—	—
Domestic Stock Large Cap Core Index Fund <sup>7</sup>	3.6	9.2	-6.5	18.9	11.5	—
<i>S&amp;P 500 Index</i>	3.7	7.5	-7.7	18.6	11.2	—
Domestic Stock Mid Cap Fund	0.8	4.8	-1.3	19.0	6.3	8.6
<i>Russell Midcap Index</i>	-1.5	4.1	-8.8	19.2	8.1	10.1
Domestic Stock Growth Fund	6.7	11.9	-11.2	16.9	10.9	11.1
<i>Russell 1000 Growth Fund</i>	6.8	14.4	-10.9	18.6	13.7	14.6
Domestic Stock Fund	2.7	6.2	-7.6	17.9	9.1	9.6
<i>S&amp;P 500 Index</i>	3.7	7.5	-7.7	18.6	11.2	12.2
Small Cap Fund	-1.3	10.9	8.5	20.9	13.2	14.9
<i>Russell 2000 Index</i>	-4.8	2.7	-11.6	17.5	4.7	8.0
<b>INTERNATIONAL EQUITY</b>						
International Stock Core Fund	2.7	8.8	-2.2	9.2	2.6	4.3
<i>MSCI EAFE Index</i>	2.5	8.5	-1.4	13.0	3.5	5.0
Emerging Markets Stock Fund <sup>8</sup>	0.4	6.0	-7.8	10.3	-2.9	0.6
<i>MSCI Emerging Markets Index</i>	3.0	4.0	-10.7	7.8	-0.9	2.0
<b>ALTERNATIVE INVESTMENTS</b>						
Commodities-Based Fund <sup>9</sup>	0.0	-4.8	-18.6	24.7	7.2	-2.1
<i>Bloomberg Commodity Total Return Index</i>	-0.2	-5.4	-12.5	20.8	5.4	-1.7
Public Real Estate Fund <sup>10</sup>	-3.9	2.5	-21.7	5.0	1.1	1.9
<i>S&amp;P Developed Property Index</i>	-3.0	0.7	-20.7	7.5	1.8	3.7
Multi-Strategy Hedge Fund <sup>11</sup>	—	—	—	—	—	—
<i>60% S&amp;P 500 Index/40% Bloomberg U.S. Aggregate Bond Index</i>	—	—	—	—	—	—
Global Inflation Protection Fund <sup>12</sup>	0.1	2.0	-8.1	10.5	3.8	—
<i>Bloomberg U.S. TIPS 1-10 Year Index + 2%</i>	3.0	3.4	-1.0	4.9	5.2	—
<b>EQUITY AND FIXED INCOME</b>						
Balanced Fund	2.7	5.0	-6.5	10.0	6.5	6.8
<i>Blended Balanced Index <sup>13</sup></i>	3.3	5.8	-6.3	10.0	7.4	8.1
<b>TACTICAL FUNDS (ADDITIONAL FEES APPLY)</b>						
Conservative Fund <sup>14</sup>	—	—	—	—	—	—
<i>Blended Conservative Index <sup>15</sup></i>	—	—	—	—	—	—
Income Fund <sup>16</sup>	2.7	4.9	-4.8	4.1	3.3	—
<i>Blended Income Index <sup>17</sup></i>	2.7	4.7	-5.6	4.1	3.8	—
EVI Income Fund	2.8	5.2	-4.6	4.7	—	—
<i>Blended EVI Income Index <sup>18</sup></i>	2.7	4.7	-5.6	4.7	—	—
Income & Growth Fund <sup>19</sup>	2.5	5.8	-4.4	8.3	4.4	—
<i>Blended Income &amp; Growth Index <sup>20</sup></i>	2.7	5.3	-6.0	7.6	4.8	—
EVI Income & Growth Fund	2.7	6.2	-4.0	7.7	4.8	—
<i>Blended SRI Income &amp; Growth Index <sup>21</sup></i>	2.7	5.3	-6.0	7.5	4.8	—
Growth Fund <sup>22</sup>	2.4	6.7	-4.2	10.7	5.0	—
<i>Blended Growth Index <sup>23</sup></i>	2.7	5.9	-6.4	9.7	5.6	—
EVI Growth Fund	2.6	7.0	-3.7	10.7	6.0	—
<i>Blended SRI Growth Index <sup>24</sup></i>	2.7	5.9	-6.4	10.3	5.7	—
Aggressive Growth Fund <sup>25</sup>	2.4	7.6	-4.3	12.7	5.6	—
<i>Blended Aggressive Growth Index <sup>26</sup></i>	2.6	6.5	-6.9	11.5	6.3	—
EVI Aggressive Growth Fund	2.6	7.9	-3.5	13.5	—	—
<i>Blended SRI Aggressive Growth Index <sup>27</sup></i>	2.6	6.5	-6.9	13.1	—	—
<b>U.S INFLATION</b>						
<i>Consumer Price Index (February 2023) <sup>28</sup></i>	0.6	1.1	6.0	5.2	3.9	2.6

<sup>1</sup>CDIF interest accrues on a daily basis. <sup>2</sup>These investment funds may not meet Eder Values Investing guidelines because they are invested in mutual funds. All other investment funds must meet Eder Values Investing guidelines. <sup>3</sup>No assets invested in this fund. <sup>4</sup>Expected to match benchmark gross of fees. Typically, will not match benchmark net of fees and due to required cash position. <sup>5</sup>Weighted average of the S&P 500 Index (60 percent) and the Bloomberg Barclays U.S. Capital Government/Credit Bond Index (40 percent). <sup>6</sup>Changed January 1, 2021. 3-year, 5-year, and 10-year blended new with old benchmarks. <sup>7</sup>Most recent data available. CPI data are from the Consumer Price Index for All Urban Consumers. All items are not seasonally weighted.